

**Rhode Island Economic Development Corporation
Enterprise Zone Council
Minutes of Meeting of January 25, 2005
RIEDC; 4th Floor, Room 1
One West Exchange Place
Providence, RI 02903**

Attendance

Name Affiliation

Victor Barros (EDC Staff)

Wolfgang Bauer (West Warwick Town Manager)

Bill Clark (Portsmouth - Business Development)

Ron Caniglia (Council Member)

Michelle M. Godin (Needs, Inc.)

Carmen Lorenzo (EZC Staff)

Rob Malevich (West Warwick Town Planner)

Thomas M. Madden (Legal Counsel)

Virginia O'Shan (RI Division of Taxation)

Bill Parsons (Chairman's Designee)

Dan Varin (Council Member)

Michael Wood (Council Member)

There being a quorum present, Vice Chairman Varin called the meeting of the Enterprise Zone Council to order at approximately

10:10 AM.

The first item of business before the Council was consideration of the minutes of the Council's November 29, 2004 meeting.

Mr. Caniglia moved approval of said minutes and Mr. Parsons seconded the motion. There being no discussion on the minutes, said minutes were unanimously approved.

The second item of business before the Council was the recommendations list for 2005 membership (attached hereto as Exhibit A). Mr. Barros noted that eight businesses were being recommended for membership for 2005 and mentioned "all eight have gone through the process of filling out an application..., being looked at and signed off on by the local points of contact, and each one of the municipalities." Mr. Barros stated that EDC staff recommended approval of all eight, "bringing our year to date total to eight."

Mr. Parsons then moved approval of the list as recommended and Mr. Wood seconded the motion. Mr. Wood then inquired whether there were any problems with member businesses which the Council had encountered last year.

Mr. Barros replied, "actually the main issue of our membership that we've had pertained to companies that have a particular benchmark and issues around origin of their jobs, whether they begin and end at

the same location.”

Some general discussion ensued among Ms. O’Shan, Mr. Barros and Mr. Wood on this issue. Mr. Barros added that the staff notifies a company when it identifies this type of potential problem.

There being no further discussion, the recommendations list was unanimously approved.

The third item of business before the Council was consideration of the 2003 certification list (attached hereto as Exhibit B).

Mr. Barros explained “we have a report here that really would have been [a] December meeting agenda item. Normally there would be...special circumstances, if we’re looking at certifying a company outside of that certification year -- to certify companies for ’03 tax credits in ’04...but because we didn’t have a December meeting this was held over. Both companies have completed their year-end certification packages. Issues I think were around certificates of good standing, which [caused] a delay. Again, they’ve completed the year-end certification package, got letters of good standing, and they’ve all increased their workforce...staff would recommend approval of both companies.”

Ms. O’Shan commented on the Certificates of Good Standing from the Tax Division, “One of the reasons that Certificates of Good Standing

were required was to make sure that when [member businesses] apply, their certification in January through March, that everything is paid up. Right now we do have that new mandate that says for many businesses and individuals, if you have [outstanding tax debts] and you are going to renew your driver's license, registration, or sales tax permits, [those debts] have to be paid up.... However, I'd like to caution the Council not to let things go, because there is no more excuse for leaving a yearly change to get cleaned up with us." Regarding the approval at issue, Ms. O'Shan also added, "I'm concerned that this is more than a year, and I'd like to put on that on the record."

V. Barros responded that "the March 15th deadline is a self-imposed deadline by the Council. It's not legislatively mandated, it's within our rules and regulations."

There being no further discussion, Mr. Caniglia moved approval of the certification list, Mr. Wood seconded the motion, and the list was unanimously approved.

The fourth item of business before the Council was the job creation data provided by Mr. Barros.

Mr. Barros thanked and commended Ms. Lorenzo for her work in compiling the data reported and noted, "What we've tried to do is, and this isn't in any sort of presentation format, just report on details

of every single job created for '03.... [T]he median average hourly rate is \$15 an hour, which turns out to be \$31,000 a year job, and we've been looking at ways of extrapolating that number to figure out how that impacts state revenue, and we do have some numbers around that, working with our Resource Department."

Mr. Barros continued, "If you recall, during our November meeting there was a request by the Council to communicate directly with the Budget Office based on this report and [Vice Chairman Varin] volunteered to [pursue that], so I was able to mail in this report in November and [Vice Chairman Varin] put together a letter that I've included in the package, addressed to the Budget Office. I hope for the next meeting to have this report in more substantive package."

General discussion followed confirming that the data was for the period 2002-2003 and focusing on the impressive wages and job ranges included in the data.

Vice Chairman Varin emphasized "the objective of this program is to get companies to locate in distressed areas, and secondarily to hire people who live in those distressed areas, not necessarily the same one, another identified one. I think the report shows that it does that, and that these are not all entry-level jobs."

The next item of business before the Council was the introduction by West Warwick Town Manager, Wolfgang Bauer, of West Warwick's

newly hired Town Planner, Rob Malevich.

The final item of business before the Council was the consideration of a public hearing to make minor changes to the rules and regulations based on legislative changes.

Mr. Barros asked for a motion for a public hearing before the next Council meeting, which would give a rules subcommittee time to prepare revised rules.

Mr. Wood interjected that he had “a problem with [the public hearing discussion] not being on the agenda.”

Mr. Barros responded, “Well, what we could do is we could put together all of the information that we would have, ...draft the regulations and present them to the Council at the next meeting.”

Mr. Madden added, “I don’t think there are a whole lot of substantive changes to be made, it would be more of an update on the terminology and the actual statutory references and so forth, because of the new law enacted in the last General Assembly session, but I don’t think it’s a real cause for concern.”

Vice Chairman Varin stated, “Put together the changes we need. We’ll either have a special meeting or a February regular meeting.”

There being no further discussion, Mr. Parsons moved adjournment of the meeting, Mr. Wood seconded, the motion was unanimously approved and the meeting was adjourned.

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Attendance

Name Affiliation

**Victor Barros (EDC Staff)
Bill Clark (Portsmouth - Business Development)
Ron Caniglia (Council Member)
Kathy Cosentino (City of Providence)
Alan Crisman (Mt. Hope Zone)
Bob Driscoll (Town of Portsmouth)
Bob Gilstein (Town of Portsmouth)
Michelle M. Godin (Needs, Inc.)
Dennis Langley (Council Member)
Carmen Lorenzo (EZC Staff)
Thomas M. Madden (Legal Counsel)
Virginia O'Shan (RI Division of Taxation)**

Bill Parsons (Chairman's Designee)

Tom Rich (New England Boat Works, Inc.)

Dave Sousa (Town of Tiverton)

Dan Varin (Council Member)

There being a quorum present, Vice Chairman Varin called the meeting of the Enterprise Zone Council to order at approximately 10 AM.

The first item of business before the Council was consideration of the minutes of the Council's October 26, 2004 meeting.

Mr. Caniglia moved approval of said minutes: Mr. Parson seconded the motion. Ms. O'Shan asked for one correction in the Tax Division's statement included in said minutes, and the minutes were unanimously approved as corrected.

Vice Chairman Varin then turned the Council's attention to the proposed redesignation of the Portsmouth/Tiverton Enterprise Zone.

Mr. Clark gave a brief introduction of the package he submitted requesting a redesignation of the zone for an additional five (5) years from year end 2004. He continued to introduce Messrs. Sousa, Rich, Driscoll and Gilstein, all present for the zone's redesignation consideration. Mr. Clark went on to say that the zone was seeing

success particularly with businesses including commercial fisheries and boat builders and the general commercial/industrial use of former Navy land.

Ms. O'Shan inquired as to certain information in the redesignation package and suggested that certain information be updated.

Vice Chairman Varin inquired of Mr. Clark whether the appropriate municipal resolution(s) had been obtained, at which time Mr. Clark submitted an outstanding resolution from Tiverton to Vice Chairman Varin for the record.

Mr. Barros commented that the RIEDC/EZC staff's position was that "this proposal is a very thorough, well-thought-out proposal...[it] clearly demonstrates the importance of economic development for both towns, particularly how the Enterprise Zone can be a positive feature of the Economic Development Plan.... [N]ot only do we have a very detailed list on the annual basis but also we have detailed information on trends. ...The proposal talks particularly about the relationship between the Enterprise Zone program and the increased level of private investment by companies.... [M]ost importantly, there was a very detailed management plan – I know from my perspective that's probably one of the most important pieces of the Enterprise Zone from a local level."

Ms. O'Shan inquired whether any mill buildings were included in the

plan. Mr. Clark noted that the [Bourne Mill] was a possibility, but Mr. Barros noted that the Bourne Mill did not meet the size requirement for the program.

Mr. Parsons moved that the Portsmouth /Tiverton Enterprise Zone be redesignated for an additional period of five (5) years from year end 2004. Mr. Langley seconded the motion. Mr. Caniglia commented that the proposal was a pleasure to read and the motion to redesignate was unanimously approved.

Vice Chairman Varin added, "I enjoyed reading the document, I thought it was very thorough, everything was well covered. Just as a comment, the Portsmouth town-wide sewer survey I think is an important task, important job. Many forms of economic development really depend on a public sewer system rather than on site disposal."

The next item of business before the Council was consideration of the recommendations list for 2004 membership, attached hereto as Exhibit A.

Mr. Barros commented, "All the applications were reviewed by the local municipality for accuracy, and then also reviewed by staff to make sure they were signed off on by the local community. Staff would recommend approval of all nine. That brings us to our year-end total of 95 new businesses this year, and again, just reminding the Council that applications are accepted up until

November 30.”

Vice Chairman Varin asked whether Blackstone Valley Security had more than one location and noted that the security officers must be required to begin and end their days at the businesses’ address in the enterprise zone. Mr. Barros acknowledged that policy and noted that staff would send a reminder to the member business.

General discussion ensued regarding the member businesses moving within and among zones and the consequences of such moves. Mr. Barros noted that moves within zones simply require address change notifications, while moves among zones require new reporting for new job credits.

Mr. Caniglia then recused himself with regard to McKenney, Jeffery and Quigley.

Mr. Langley then moved approval of the membership list. Mr. Parson seconded the motion. With Mr. Caniglia abstaining, the motion approving the list was passed.

The next item of business before the Council was the recommended list for 2003 certifications, attached hereto as Exhibit B.

Mr. Barros noted that the one company included on the list had been

left off of a prior report as a staff error, but had met all requirements for certification. He recommended approval.

Mr. Caniglia moved approval of the list. Mr. Langley seconded the motion and the motion was unanimously approved.

The next item of business before the Council was approval of the carry forward authorizations list, attached hereto as Exhibit C.

Narragansett Engineering was the only company included on the list.

Mr. Caniglia moved approval; Mr. Langley seconded the motion and the motion was unanimously approved.

The next item of business before the Council was discussion of a letter from Mr. Wolfgang Bauer, West Warwick Town Manager, with regard to the West Warwick Enterprise Zone. Mr. Barros commented, "During [Mr. Bauer's] presentation [to the Council] he talked very briefly about the Central Rhode Island Development Corporation and their role in helping deliver the Enterprise Zone program, and what he has here is an attachment that shows some of the companies that CRIDCO has met with and discussed the Enterprise Zone with. It's just sort of back-up to show that they are actively working with companies, and sort of addresses some of the marketing issues that we had with West Warwick, but it's just for informational purposes."

Some general discussion ensued among the Council members and attendees as to the situation in West Warwick, Mr. Bauer's tenure and whether the Town had hired a new planner.

Mr. Caniglia then commented that it would be useful to make available to other zones, the applications for redesignation presented to the Council by East Providence and Portsmouth/Tiverton. Mr. Barros mentioned that an information package does go out to all zone program contacts.

Mr. Langley suggested that a "template" be developed for redesignation questionnaires and responses. Ms. O'Shan suggested the incorporation of an Executive Summary in such a template.

Mr. Crisman pointed out that information regarding the success of the zone program and its presentation to the legislature may be awkward and/ or a conflict of interest for Mr. Barros to get involved in to promote the zone program. Mr. Barros said that he could provide public information to anyone properly requesting such information.

Mr. Langley suggested that a letter be sent to the Governor outlining the success of the program.

Discussion as to the next meeting date followed, with a date of December 14, 2004 being agreed to at the usual 10AM time.

There being no further business before the Council, Mr. Caniglia moved adjournment, Mr. Langley seconded the motion and the Council voted unanimously to adjourn the meeting.